Brian Schweitzer, Governor

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August 27, 2007

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Potential Drinking Water SRF Loan Recipients:

We are contacting communities on the Drinking Water SRF Project Priority List (PPL), as outlined in the SFY08 Intended Use Plan (IUP). The Project Priority List ranks potential projects that communities have identified for their respective water systems. The department is planning to fund some of the lower-ranked projects on the PPL that are ready to proceed at this time. In accordance with the bypass procedures adopted as part of the IUP, all applicants with higher-ranked projects must be notified before the bypass is completed.

The project applicant under consideration for a bypass at this time is the City of Whitefish in Flathead County. The proposed SRF loan will be used to construct distribution system improvements that will eliminate dead end mains and provide system redundancy. Since some higher-ranked projects are not ready to proceed, the department is proposing to bypass those higher-ranked projects in order to fund the project described above.

The funding of this project by the Drinking Water SRF program should in no way affect funding of your project. All known loan applications currently shown on the priority list can be funded with available funds, even with the bypass for the above project.

When revising the list by this method the department's policies require that we contact all affected applicants to solicit comments. We request, by copy of this letter, that any comments regarding the described changes be provided to this office within 15 days of the date of this letter. The change will go into effect after the comment period if no unresolvable comments have been received.

Thank you and please contact me at (406) 444-5325 if you have any questions.

Sincerely,

Mark A. Smith, P.E.

**Drinking Water SRF Loan Program** 

Technical and Financial Assistance Bureau

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